

**LEASE MODIFICATION**  
**LEASE # 3004736**

**THIS AGREEMENT**, Made and entered into this 11<sup>th</sup> day of **December, 2007**, by and between **National City Bank of Pennsylvania, successor to First National Bank and Trust Company of Waynesburg, Pennsylvania, Testamentary Trustee**, whose address is **20 Stanwix Street, LOC 46-25-158, Pittsburgh, PA 15222-4802** parties of the first part, hereinafter called "Lessors", and **CHESAPEAKE APPALACHIA, L.L.C.** an Oklahoma limited liability company, the surviving entity of the merger with Columbia Natural Resources, LLC (formerly known as Columbia Natural Resources, Inc.) of 900 Pennsylvania Avenue, Charleston, West Virginia 25302, party of the second part, hereinafter called "Sublessee";

**WITNESSETH:**

**THAT WHEREAS**, by agreement dated August 14, 1913, W.H. Loper, et ux granted to The Wheeling Natural Gas Company, predecessor in title to Columbia Gas Transmission Corporation, an oil and gas lease covering a tract of land containing 104.00 acres, more or less, situate in Liberty District, Marshall County, West Virginia, and recorded in the Clerk of the County Commission in Book 139 at Page 493; and

**WHEREAS**, said agreement dated August 14, 1913, was modified by agreement dated August 14, 1958 by J. N. Pyles, et al and The Manufacturers Light and Heat Company predecessor in title to Columbia Gas Transmission Corporation, to provide for the production and storage of natural gas, and recorded in the Clerk of the County Commission of Marshall County in Book 326 at Page 145; and

**WHEREAS**, by sublease agreement dated September 2, 2004 and recorded in the Offices of the Clerks of the County Commissions of Marshall and Wetzel Counties, West Virginia in Deed Book 642, at page 281 and Book 84-A, at page 129 respectively, Columbia Gas Transmission Corporation granted to Columbia Natural Resources, LLC (predecessor in title to Chesapeake Appalachia, L.L.C.), all rights necessary for the PRODUCTION OF OIL AND GAS in all formations EXCEPT the interval from 250 feet above the top of the Greenbrier Limestone (inclusive of all Maxon sands) to 50 feet below the base of the Pocono Big Injun formation being reserved or operated for storage;

**WHEREAS**, Lessors are now the owners of the oil and gas rights underlying the land covered by said lease that is situate in Liberty District, Marshall County, West Virginia; and

**WHEREAS**, Lessors and Sublessee, for their mutual benefit, desire to amend and modify said lease agreement in order to facilitate the formation of drilling units.

**NOW THEREFORE**, in consideration of the premises and the sum of One Dollar (\$1.00) paid by the Sublessee to Lessors, the receipt of which is hereby acknowledged, and of the covenants hereinafter contained, Lessors and Sublessee hereby supplement and modify said lease as follows, to-wit:

**DELAY IN MARKETING:** In the event that Sublessee does not market producible gas, oil or their constituents from the Leasehold, or lands pooled/unitized therewith, Sublessee may continue to pay Delay Rental at the rate of Five Dollars (\$5.00) per acre annually until such time as marketing is established.

**UNITIZATION:** Lessors grant Sublessee the right to pool, unitize, or combine all or any part of the Leasehold with any other land, leased or unleased, whether owned by Sublessee or others, to create drilling or production units either by contract right or pursuant to governmental authorization. In the event of the unitization of the whole or any part of the Leasehold, Sublessee shall, either before or after the completion of a well, record a copy of its unit operation designation in the county in which the Leasehold is located. Sublessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created, without the consent of Lessors. As to such a unit, Lessors agree to accept and receive out of the production or the proceeds from the production of such unit, such proportional share of the royalty from each unit well as the number of acres in the Leasehold which may be included from time to time in the unit bears to the total number of acres in the unit. Otherwise, except for the FREE GAS clause, the drilling, operations for drilling or any operations in preparation for drilling, or any production from a well on such a unit shall have the same effect upon the terms of this Lease as if the operations or well were on this Leasehold itself.

**SHUT-IN:** In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of six months, and there is no producing well on the Leasehold, or lands pooled/unitized therewith, Sublessee may thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the Delay Rental until such time as production is re-established and said payment shall maintain the above-referenced lease and modification in full force and effect to the same extent as payment of

Royalty. During Shut-in, Sublessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than six months, the above-referenced Lease and Modification shall remain in full force and effect without payment of Royalty or Shut-in Royalty.

SUBLESSEE shall have the right to perform geophysical studies through the use of seismic research and other means and methods not restricted to current technology.

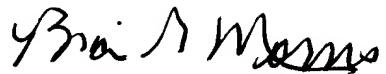
LESSOR ratifies the aforesaid lease dated August 14, 1913 and modification agreement dated August 14, 1958, and grants and leases to Sublessee all Lessor's interest in the above lands on the same terms and conditions as set out in the lease and modification, as hereby amended and modified, and acknowledges that it is a valid and subsisting lease and shall remain in full force and effect according to the terms and tenor thereof.

This agreement extends to and is binding upon the parties hereto, their respective heirs, successors, administrators, executors and assigns.

WITNESS the following signatures and seals all as of the day and year above first written.

JAN PEST  
MARSHALL County 10:42:26 AM  
Instrument No 1248643  
Date Recorded 01/29/2008  
Document Type O&G  
Book-Page 666-66  
Rec/Reserve \$5.00 \$1.00

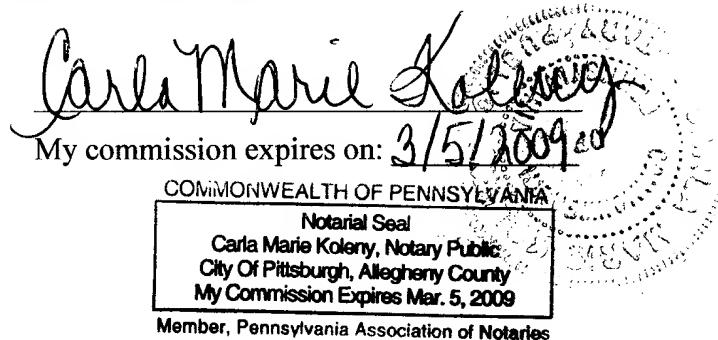
National City Bank of Pennsylvania, successor  
to First National Bank and Trust Company of  
Waynesburg, Pennsylvania, Testamentary  
Trustee

  
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**Brian G. Morris, Vice-President**

## COUNTY OF ALLEGHENY, to-wit:

On this the 11th of December, 2007, before me, Carla Marie Koleny, a Notary Public, came Brian G. Morris, as Vice-President, for and on behalf of National City Bank of Pennsylvania, successor to First National Bank and Trust Company of Waynesburg, Pennsylvania, Testamentary Trustee, to me known (or to be satisfactorily proven) to be the individual(s) described in, and who executed the foregoing instrument, and acknowledged that they executed the same for the purpose therein contained.

In witness thereof, I hereto set my hand and official seal.



This instrument was prepared by  
Chesapeake Appalachia, L.L.C.  
900 Pennsylvania Avenue  
Charleston, WV 25302

## STATE OF WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, JAN PEST, Clerk of the County Commission of said County, do hereby certify that the annexed writing, bearing date on the 11<sup>th</sup> day of December, 2007, was presented for and by me, admitted to record in my office upon the above certificate as to the parties therein named this 29<sup>th</sup> day of January, 2008 at 10:42 o'clock A.M.

TESTE: -----

JAN PEST  
Clerk.